

MINUTES
BOARD OF SUPERVISORS
COUNTY OF YORK

Adjourned Meeting
March 9, 2004

6:00 p.m.

Meeting Convened. An Adjourned Meeting of the York County Board of Supervisors was called to order at 6:00 p.m., Tuesday, March 9, 2004, in the East Room, York Hall, by Chairman Thomas G. Shepperd, Jr.

Attendance. The following members of the Board of Supervisors were present: Walter C. Zarembo, Sheila S. Noll, Kenneth L. Bowman, James S. Burgett, and Thomas G. Shepperd, Jr.

Also in attendance were James O. McReynolds, County Administrator; J. Mark Carter, Assistant County Administrator; and James E. Barnett, County Attorney.

WORK SESSION

PROPOSED FISCAL YEAR 2005 BUDGET

Mr. McReynolds made a brief presentation explaining where the major changes in the FY2005 budget are proposed. For mandated or formula-driven items, the major increases occur in the schools, VRS, unfunded mandates, and additional jail per diems. For non-mandated or non-formula driven items, the major increases are in market adjustment and step increases for employees, capital and debt costs, new non-mandated positions, health insurance, general price increase, full-year funding of the six positions hired under the COPS program, new equipment, solid waste, and software.

Mrs. Marycarol White, Director of Financial and Management Services, reviewed the materials provided for the work session concerning the proposed FY2005 General Fund budget summary of revenues and expenditures, new personnel, non-personnel increases, the proprietary fund, and education funding.

Discussion followed concerning the increase in the VRS contribution. Mr. McReynolds was requested by the Board to obtain information for the Board on what is driving the increase in VRS and whether or not VRS membership is mandatory for all localities.

Mrs. White continued her review regarding proposed funding for education.

Mr. Zarembo indicated the requested funding for additional students and teachers equals a ratio of one teacher to eight students.

Mrs. Noll noted next year the school division will be adding more all-day kindergarten classes.

Mr. Burgett stated within the entire school system he came up with a ratio of 15.25 students per teacher, and there is one employee for every eight students in the school system.

Mr. McReynolds stated the presentation this evening was to help provide the Board with a different perspective for its evaluation of what has been recommended. He stated staff hopes to get instruction from the Board members this evening as to what they would like to discuss at the work sessions prior to budget adoption.

Chairman Shepperd indicated he felt staff did a great job of paring down the budget, but his concern was that there were no other options provided. He expressed his concern at the large increase in revenue realized from the reassessment, and he stated he felt it might be too much.

Mr. McReynolds stated that in putting together the proposed budget, staff tried to take a look at the areas in which the Board has indicated it would like to see an increased level of service, such as the corridor improvements and drainage improvements. Staff next looked at items

that the Board has no control over, such as the VRS contribution and the schools. Also taken into consideration are the new items that are being mandated. Mr. McReynolds stated staff looked at areas where staff could be reduced, and a number of positions have been eliminated over the past several years. Staff then looked at what it would take to maintain the current level of service and what is required to meet the increased demands for services. He stated if the current amount of increased revenues were less, the level of service would have to be reduced. Staff would have been hard-pressed this year to present the Board with a budget without a tax increase. He also noted that there is \$510,000 in the proposed budget that is unprogrammed; but looking ahead to the following year, several millions of dollars of cost increases can be identified that the County will be facing along with the uncertain condition of state funding.

Mrs. Noll suggested that staff take the current budget as a start and show the figures of what it would take for no changes to services. She suggested that the improvements the Board had indicated it would like to see such as the Route 17 improvements be placed in a separate column so that the Board members can see what the budget would look like with no changes and what it would like with the Board's requests.

Mr. Burgett noted that the accounting detail in the budget shows the comparison.

Mrs. Noll stated she feels it could be done more simply to show if there is a way to keep the tax rate or adjust it and provide the same level of service.

Mr. Burgett stated he would be interested in what the other members of the Board might recommend.

Mr. Zaremba stated that through the proposed budget, the Board does not articulate any empathy for the person who sees the assessed value of his property go up 50, 60, or 90 percent from two years ago, and it concerns him to realize that the taxpayers are burdened with what was just sent them in their reassessment notices. He noted that when the Board members met with the School Board, they heard the 2005 projections, which stated there would be somewhere between \$4.5 million and \$5.5 million in increased revenues, and property taxes would increase 7-8 percent. The Board now finds that there will be a 10.7 percent overall increase, and the property taxes are increasing by 13.3 percent. Mr. Zaremba stated if the Board said in November it could live with a 7 percent increase in taxes over the current year, he suggested that the Board cut the \$8 million in half to \$4 million and reduce the tax rate by about 7 cents.

Mr. Burgett stated he agreed there were problems with the assessments, and adjustments need to be made; although he indicated a 79-cent tax rate, as suggested by Mr. Zaremba, would equate to less revenue than the County has this year.

Mr. Bowman stated he has not received any positive input about the assessments. He noted it is hard to compare like properties on the waterfront, but it is unconscionable to raise the assessments this high. He spoke of the mandated increases, and stated he was not sure where the Board has the latitude to reduce the proposed budget.

Chairman Shepperd stated York County is a very successful locality, and he felt the assessments are pretty close. He noted there is a cost to being successful, but the question is does the County need this extra revenue for solid government. He stated he felt uncomfortable with the proposed budget, and he has looked at a 3-cent and a 4-cent reduction in the tax rate. Mr. Shepperd questioned a 13 percent tax increase, stating he would like to see a proposal with a reduction of 4 cents.

Discussion followed.

Mr. Burgett stated the County has a real estate market that generates a lot of money at this time, but at other times it goes down. He stated the County does not want to be in the same position as the state was with the car tax because there was a lot of money being realized when that decision was made. He questioned the high assessments and indicated he felt work

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needed to be done on them. He stated it was easy to reduce the tax rate, but much more difficult to raise it.

Mrs. Noll expressed her agreement, stating it was good to look at a budget proposal with a reduction, but the General Assembly still has not passed the state budget, and the Board does not want to find itself going back and increasing the tax rate immediately.

Mr. McReynolds indicated he would develop alternatives for the Board to consider with a reduction of 4 cents and with a reduction of 7 cents on the tax rate.

Chairman Shepperd noted the public hearing on the proposed budget and tax rates would be held on Thursday, March 11, and he encouraged the citizens to get out and tell the Board how they feel.

Meeting Adjourned. At 7:37 p.m. Chairman Shepperd declared that the meeting be adjourned to 7:00 p.m., Thursday, March 11, 2004, in the Board Room, York Hall, for the purpose of conducting public hearings on the proposed FY2005 Budget and 2004 tax rates.

James O. McReynolds, Clerk
York County Board of Supervisors

Thomas G. Shepperd, Chairman
York County Board of Supervisors